

Historic, Archive Document

Do not assume content reflects current
scientific knowledge, policies, or practices.



RELEASE

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 14-81

WASHINGTON, April 8 -- The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

In the EUROPEAN COMMUNITY (EC), various political and economic factors have prompted an increasingly aggressive wheat export stance in recent weeks. Exports are now expected by some sources to exceed 14 million tons, up from the previous estimate of 13 million tons. If this revised estimate is realized, Community exports of wheat would account for roughly 15 percent of global trade. This compares with the 9.6-million-ton export level in 1979/80, which represented some 11 percent of the aggregate wheat trade.

SYRIA recently announced the 1981 support prices for grains in an attempt to stimulate domestic grain production. Presumably, increased production would free more grain for export, which would earn badly needed foreign exchange.

The new basic support level for soft wheat at US \$244 per ton is now 36 percent above the 1980 level. The guaranteed price for durum is up 31 percent to \$269 per ton, and barley, Syria's second most important grain crop after wheat, climbed 33 percent to \$195 per ton.

The new prices, however, were made public too late to have any impact on the 1981 harvests of wheat and barley, which are winter sown in Syria. Production prospects for this year currently point to normal outturns, given the recent improvement in weather patterns.

OILSEEDS AND PRODUCTS

INDIA, a major producer and exporter of high protein meals, has exhibited a sharp downward trend in exports of peanut and cottonseed meals. During the four quarters ending Dec. 31, 1980, India's combined exports of these meals declined to 508,700 tons soybean meal equivalent--42 percent below the 1979 level and 65 percent below the 1976 volume. India's quarterly exports of these meals, with comparisons, are as follows in 1,000 tons:

-more-

MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

<u>Years beginning Oct. 1</u>	<u>Quarters</u>	<u>Peanut meal</u>	<u>Cottonseed meal</u>	<u>Total soybean meal equivalent</u>	<u>Total soybean meal equiv. for indicated year-end</u>
1976/77	1	258.0	13.4	300.8	1,462.4
	2	373.4	89.4	492.1	1,501.9
	3	260.4	47.2	330.9	1,451.8
	4	56.5	37.9	94.2	1,218.0
1977/78	1	86.1	18.6	111.8	1,029.0
	2	158.4	44.5	214.1	751.0
	3	30.3	46.3	71.6	491.7
	4	127.4	40.3	175.8	573.3
1978/79	1	140.8	28.5	181.4	642.9
	2	209.1	111.8	325.6	745.4
	3	95.9	79.3	172.0	854.8
	4	141.9	38.3	190.5	869.5
1979/80	1	146.4	24.5	184.3	872.4
	2	102.0	56.0	160.1	706.9
	3	82.3	40.8	125.5	660.4
	4	90.0	27.9	123.8	593.7
1980/81	1	67.4	29.0	99.3	508.7

The decline in India's exports of peanut and cottonseed meals came despite increased harvests. The reduced exports of these commodities during 1976/80 was equal to the protein fraction of 44 million bushels of soybeans. India's peanut and cottonseed output estimates are as follows in 1,000 tons:

	<u>Average for 1974/75-1978/79</u>	<u>1979/80</u>	<u>1980/81</u>
Peanuts	5,921	5,772	6,000
Cottonseed	2,450	2,643	2,700

TOBACCO

CHINA experienced a rapidly rising demand for cigarettes in 1980, which caused shortages and some rationing. Cigarette production was 750 billion pieces, up 100 billion pieces or 15 percent from 1979, but production lags caused short supplies.

While demand for cigarettes increased, tobacco acreage and yields declined. To supplement the short crop, China purchased leaf tobacco from Zimbabwe, Malawi, India, Thailand and Brazil in 1980. Inefficient production at 140 local cigarette factories resulted in the use of more than twice the amount of leaf per cigarette than in state-run factories. The output of high-quality cigarette brands decreased 41 percent.

To ease the short supply situation in 1981 the government plans to reduce waste in production, utilize sun-cured and air-cured tobacco and increase the use of bottom leaves.

COTTON

TAIWAN reports recent sales of textile products to Hong Kong and Iran have brightened current textile industry prospects. Reportedly, Hong Kong buyers have increased textile purchases in Taiwan and South Korea because of delivery problems from China, and Iran has ordered 40 million yards of Taiwanese cotton fabrics and 10 million yards of man-made fiber items.

As a result of this new business, the American Institute in Taiwan has increased its 1980/81 cotton consumption forecast to 1 million bales and imports to 900,000 bales.

HORTICULTURAL AND TROPICAL PRODUCTS

The new INTERNATIONAL COCOA AGREEMENT (ICCA) had not been signed by a sufficient number of producing and consuming countries on the March 31 deadline for it to take effect on schedule, according to the International Cocoa Organization (ICCO). According to the terms of the new agreement, signatures are required from exporters representing 80 percent and importers representing 70 percent of total world trade in cocoa. The ICCO reports that only 72 percent of the exporters and 62 percent of the importers had signed by the deadline.

Without the required percentages of signatures, the ICCA cannot be put into force. However, countries not signing by the March deadline have until May 31 to join by accession under special agreement rules. Members hope that the Ivory Coast, the world's largest producer, will join under this arrangement. The United States, the world's largest consumer, has elected not to be a party to the new cocoa pact. The ICCA can function without U.S. participation, but it is doubtful that it can be effective without the Ivory Coast as a member.

INDIA harvested a record tea crop of about 576,000 tons in 1980, reflecting favorable growing conditions in the northeastern producing regions. The 1980 crop was 5 percent greater than the 1979 outturn of 550,000 tons and slightly above the previous record crop in 1978 of 571,000 tons.

In two other major producing countries, however, drought conditions reduced the 1980 harvests. Sri Lanka's crop totaled only 191,400 tons, down from the 1979 harvest of 206,400 tons and was the smallest outturn since the 1959 crop of 187,400 tons. Kenya's production in 1980 fell to 89,900 tons from the record 1979 crop of 99,300 tons, as dry weather cut yields despite new plantings coming into bearing.

-more-

The EC suspended the issuance of import licenses for canned mushrooms from the People's Republic of China during Jan. 1 - March 31. This action was taken to enable the Commission to assess the level of imports for which licenses already had been granted and to determine the amount of canned mushrooms which may enter during the remainder of 1981.

WORLD HOP PRODUCTION in 1980 climbed to an estimated 122,750 tons, compared with the 1979 outturn of 116,691 tons. Expanded area devoted to hops prompted by improved grower prices accounted for most of the increase. Yields also were up marginally.

The major production increase occurred in the United States where both the area harvested and yields increased dramatically due to good market prospects and growing conditions. Elsewhere, the Soviet Union also expanded hop area and to a lesser extent improved yields. Czechoslovakia experienced a modest increase in both area and output.

On the down side, poor weather in Western Europe reduced hop yields, resulting in smaller crops despite an expanded area. West Germany, usually the world's No. 1 producer, underwent a major output decline and fell to second place behind the United States. East Germany, Poland and Australia also had smaller harvests in 1980.

Production in the major countries in 1980 was as follows in 1,000 tons, with 1979 in parentheses: United States 34.3 (24.9), West Germany 27.0 (31.2), Spain 2.2 (2.6), United Kingdom 9.8 (10.3), Czechoslovakia 12.7 (11.8), German Democratic Republic 3.2 (3.5), Poland 2.3 (2.4), Soviet Union 13.5 (12.0), Yugoslavia 4.7 (4.4), Australia 2.0 (2.2) and Japan 1.8 (1.8).

NEW RELEASES OF FOREIGN AGRICULTURE CIRCULARS

Foreign Oilseed and Grain Production Estimate Slightly Higher;
Cotton Unchanged, WCP 3-81

1981 USSR Crop Outlook FG 9-81

USSR Grain Situation and Outlook, FG 10-81

World Grain Situation/Outlook, FG 11-81

World Oilseed Situation and Outlook, FOP 4-81

January Cotton Exports Remain High, FC 6-81

World Cotton Situation, FC 7-81

Monthly Data on Meat Imports--February 1981, FLM MT 5-81

World Milk Supplies Continue To Edge Upward, FD 1-81

U.S. Exports of Fresh Citrus, 1970/71 - 1979/80, FCF 2-81

World Production of Deciduous Fruits and Grapes Continues To Grow, FDAP 1-81

U.S. Imports of Vegetable Fibers Down in 1980, FVF 2-81

TO ORDER circulars, contact: U.S. Department of Agriculture, FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

INTERNATIONAL WEATHER AND CROP SUMMARY, March 30 - April 5

EUROPE--Above-normal rainfall occurred in northern Italy as a low pressure system stalled in the Mediterranean. Generous rains also continued across much of the Iberian Peninsula. However, winter grain production in southern portions of Spain and Portugal may not have benefited much from the moisture. Those crops which did manage to germinate last fall were so far along in their development that the moisture probably only prevented further yield losses. The moisture was of more benefit in northern portions of Portugal, Spain and Italy. With crops not yet in the heading stage, some improvement in potential yields is likely due to the rainfall. Most other parts of Europe had beneficially dry weather during the week. Winter grain growth continued in all countries, as temperatures held above normal in the north and dipped only slightly below normal in the south.

WESTERN USSR--High pressure dominated the region during most of the week, spreading cold air southward into the winter grain belt. Lowest temperatures of minus 7 or 8 Celsius in the eastern Ukraine and North Caucasus occurred on March 31 and April 1. Conditions then gradually warmed, but winter grain growth had been brought to an abrupt halt. However, with soils wet, and the cold not persisting, only superficial burning of wheat plants would be expected. This would delay plant development a week or so in the area, compromising, to some extent, the benefits of the recent, warmer-than-normal weather. Late in the week, a low pressure system south of the Black Sea dumped above-normal rainfall over the southeastern Ukraine and much of the North Caucasus. Precipitation over the rest of the winter grain belt remained relatively light. The snow line retreated a little farther to the northeast, with nearly all winter grain areas snow free.

EASTERN ASIA--Most winter grain areas received only light rainfall, but dryness posed somewhat of a threat only in parts of Hebei. Moisture conditions remained favorable over most of the crop area, with temperatures holding near normal. Above-normal rainfall in southern portions of the belt kept winter grains beneficially moist. Just to the south of the Yangtze River, excessively wet weather continued. Temperatures were near normal during the week, but more than twice normal rainfall since early March has created unfavorable conditions for newly sown crops. This early onset of heavy rains in this area has occurred even earlier than last year, when wet conditions also were a problem. Drier weather returned to southern coastal provinces, where warm temperatures and abundant moisture from earlier rains provided good growing conditions for early rice. In South Korea, light rain and warmer weather favored growth of winter grains. Beneficial above-normal rainfall occurred along the southern coast.

SOUTH ASIA--Above-normal rainfall continued across portions of Bangladesh, northern India and northern Pakistan. Most areas of India where active winter grain harvesting should have been in progress received only light rainfall. Winter grains in foothill areas of the western Himalayas were still immature enough to benefit from above-normal rainfall. Bangladesh and eastern India saw continued wet weather maintain good growing conditions for early rice. Dry weather returned to nearly all of peninsular India.

NORTHWESTERN AFRICA--Moderate rainfall in most crop areas across the region had mixed impacts on winter grains. The moisture improved growing conditions in northern Morocco, but irreversible yield losses had already occurred. These rains should assure that further losses do not occur. In the south, the moisture came too late for winter grains. Crop areas in Algeria and Tunisia had adequate moisture, with the persistent rains early in the week, and yield prospects remain favorable.

SOUTH AFRICA--Mild, dry weather prevailed throughout South Africa's corn-producing region, where the crop should be in the late grain-filling period or maturing. Early corn harvesting should make rapid progress with nearly ideal weather as the Intertropical Convergence Zone has retreated toward the equator in its northward seasonal migration. During the 1980/81 growing season, crops benefited from timely moisture and favorable temperatures at key stages of crop development, which has raised prospects for excellent crop yields.

SOUTH AMERICA--In Brazil, significant rainfall of 10 to 25 mm was confined to coastal areas, east of major crop-producing regions, and extreme northern portions of Minas Gerais. Elsewhere, dry weather prevailed except for about 5 mm of rain in Rio Grande do Sul. The soybean harvest is over 50 percent complete in many northern and western crop areas, while in the major producing state of Rio Grande do Sul, significant harvesting has just begun. Continued dryness in southern portions may have some impact on local yields, but prospects remain highly favorable for Brazil's overall crop yields. In Argentina, weekly rainfall totals of 10 to 25 mm may have slowed harvest activities somewhat for corn, sorghum and soybeans; but, as in Brazil, conditions remain favorable for an excellent crop year. Harvesting has commenced in all crop areas of Cordoba, Santa Fe and northern Buenos Aires.

MEXICO--Abundant sunshine and seasonal warmth favored field activities and kept young crops progressing well. The dry pattern is aiding in the late planting of corn and cotton in the higher elevations. Winter wheat should generally be heading in the northwest, and some of the earliest fields will soon be ready for harvest. Irrigation water supplies generally are near normal over most of the country; however, dryness is slowly increasing over non-irrigated districts of the northeastern citrus and southern Plateau corn belts and causing some concern.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	: April 7, 1981		: Change from : : previous week :		: A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.		\$ per m. ton
Wheat					
Canadian No. 1 CWRS-12.5%.....	1/	1/	1/		1/
U.S. No. 2 DNS/NS: 14%.....	206.00	5.61	- 1		186.00
U.S. No. 2 DHW/HW: 13.5%.....	206.00	5.61	-16		1/
U.S. No. 2 S.R.W.....	192.00	5.23	-32		182.00
U.S. No. 3 H.A.D.....	240.00	6.53	-11		221.00
Canadian No. 1 A: Durum.....	1/	1/	1/		250.00
Feed grains:					
U.S. No. 3 Yellow Corn.....	163.00	4.14	- 5		134.75
U.S. No. 2 Sorghum 2/.....	168.00	4.27	0		154.00
Feed Barley 3/.....	173.00	3.77	- 5		148.00
Soybeans:					
U.S. No. 2 Yellow.....	315.75	8.59	+10		244.00
Argentine 4/.....	313.00	8.52	- 3		1/
U.S. 44% Soybean Meal (M.T.)..	271.00	--	+ 4.00	5/	213.50
EC Import Levies					
Wheat 6/.....	77.00	2.10	-15		112.35
Barley.....	63.60	1.38	+ 9		105.55
Corn.....	76.50	1.94	+10		125.85
Sorghum.....	71.75	1.82	+ 7		109.55

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis May delivery.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250



OFFICIAL BUSINESS
Penalty for Private Use, \$300

POSTAGE & FEES PAID
United States Department of Agriculture
AGR 101